

# MI Kids Now Loan Repayment Program (MKN LRP)

## Fiscal Year 2023 Application & Program Guidance

### PROGRAM OVERVIEW

**The MI Kids Now Loan Repayment Program (MKN LRP)** is a medical education debt repayment program focused on incentivizing behavioral healthcare providers to practice in underserved areas across the State. The MKN LRP assists schools and employers in the recruitment and retention of mental health providers who continue to demonstrate their commitment to building long-term behavioral health infrastructure. MKN LRP will assist those selected by providing up to \$300,000 in tax-free funds to repay their educational debt over a period of up to ten years of participation. New applicants and current participants compete for consecutive two-year MKN LRP agreements, requiring them to remain employed at a full-time basis at an eligible, nonprofit practice site(s) providing mental healthcare services to ambulatory populations. Providers must remain with the employers who sponsor them during their two-year agreements, and employers must continue to employ the providers they sponsor during their two-year service obligations. Employers must not use MKN LRP payments to offset participants' salaries or other components of their compensation packages. MKN LRP payments must be in addition to participants' salaries, which must be based on prevailing rates in their practice areas.

The application period starts on **06/12/2023** and ends on **06/23/2023**.

For questions, please email Reanna Kathawa at [MDHHS-MIKidsNowLRP@michigan.gov](mailto:MDHHS-MIKidsNowLRP@michigan.gov).

[Please see below for further information regarding provider eligibility and selection criteria.](#)

***This program is administered by the Michigan Department of Health and Human Services.***

## DOCUMENT GUIDE – Table of Contents

*If viewing in Microsoft Word, use the select “Ctrl” key and click on section title to go to a specific section.*

*If viewing as a PDF in your browser, click on the section title (do not use “Ctrl” key) to go to the section.*

### **Eligibility**

Eligible Provider Types .....	3
Eligible Practice Site Types .....	4
Prioritization .....	5
HPSA Designation .....	6
Employer Contribution .....	6
Service Obligation Period .....	7

### **Payment Process**

Payment Summary .....	7
Award Amount .....	8
Service Verifications .....	9
Registration on Sigma Vendor Self Service (VSS) .....	9
Change of Personal Information Reporting Requirements .....	9

### **Application Forms and Process**

Updates to Application Process (Online Application System) .....	10
Application Instructions 2023 .....	11
Previous Loan Repayment Program Participants .....	12
File Transfer Application Instructions .....	13

## ELIGIBILITY

### Eligible Provider Types:

Applicants must have one of the following professional titles in the State of Michigan to be eligible for loan repayment through the MKN LRP:

Eligible Community-Based Provider Types:	Eligible School-Based Provider Types:
<ul style="list-style-type: none"> <li>• Psychiatrists (MDs or DOs)</li> <li>• Psychologists</li> <li>• Psychiatric Nurse Specialist</li> <li>• Licensed Masters Social Workers (LMSW)</li> <li>• Limited Licensed Masters Social Workers (LLMSW)</li> <li>• Licensed Professional Counselor (LPC)</li> <li>• Limited Licensed Professional Counselor (LLPC)</li> <li>• Licensed Marriage Or Family Therapist</li> <li>• Limited Licensed Marriage Or Family Therapist</li> <li>• Board Certified Behavioral Analysts (BCBA)</li> <li>• Board Certified Assistant Behavioral Analysts (BCABA)</li> <li>• <u>Wrap-Around Specialists</u>***</li> <li>• <u>Supports Coordinators</u>***</li> <li>• <u>Case Managers</u>***</li> </ul>	<ul style="list-style-type: none"> <li>• Psychiatrists (MDs or DOs)</li> <li>• Psychologists</li> <li>• Licensed Masters Social Workers (LMSW)</li> <li>• Limited Licensed Masters Social Workers (LLMSW)</li> <li>• Licensed Professional Counselor (LPC)</li> <li>• Limited Licensed Professional Counselor (LLPC)</li> <li>• Licensed Marriage Or Family Therapist</li> <li>• Limited Licensed Marriage Or Family Therapist</li> <li>• Board Certified Behavioral Analysts (BCBA)</li> <li>• Board Certified Assistant Behavioral Analysts (BCABA)</li> <li>• <u>Supports Coordinators</u>***</li> <li>• <u>Case Managers</u>***</li> </ul>

Provider Types <u>NOT</u> Eligible for the MI Kids Now Program:	
<ul style="list-style-type: none"> <li>• Telehealth Providers</li> <li>• Inpatient Providers</li> <li>• Occupational Therapists</li> <li>• Speech Therapists</li> <li>• Art or Music Therapists</li> </ul>	<ul style="list-style-type: none"> <li>• Program Managers</li> <li>• Office Managers</li> <li>• Supervisors</li> <li>• Directors</li> <li>• Data Analysts</li> </ul>

A Bachelor's degree or higher that has allowed the provider to obtain employment in the above professions is acceptable, as long as the professional stays within their scope of practice.

**\*\*\*For all eligible provider types listed except those marked with an asterisk (\*) above, a license number and an NPI number are REQUIRED in order to be eligible for the program.**

Providers must be working on a full-time basis at their approved, eligible practice site. Of these full-time hours, providers must spend a minimum of **32 hours per week directly providing outpatient, in-person, behavioral health services** through their approved practice site(s).

## ELIGIBILITY, Continued:

### Eligible Practice Site Types:

Applicants must provide behavioral health services directly through one or more of the following practice site types to be eligible for loan repayment through the MKN LRP:

- A Community Mental Health Authority (CMH)
- A Public School or Public School-Based Site
- A Non-Profit, Outpatient Behavioral Health Clinic
- A Non-Profit, Outpatient Community Health Organization

### Practice Site Types NOT Eligible for the MI Kids Now Program:

- Hospitals or Inpatient Clinics
- Residential Settings
- For-Profit Organizations
- Private School-Based Settings

Further information regarding Practice Site Eligibility is included below under [Prioritization](#). Please review these guidelines carefully, as site requirements vary between organization types.

In order to be eligible for the program, providers must be employed on a full-time basis through a single employer. While providers are eligible to provide behavioral health services out of multiple physical practice sites, all sites must be affiliated with **one primary employer**. Employers are welcome to provide part-time services through another employer outside of their full-time hours with their primary employer, but these part-time services are not eligible for consideration under the MI Kids Now program.

Please note that providers **must remain employed with their approved practice site for the FULL two-year contractual agreement period**. As such, providers who hold a limited-term contract (with their current employer) that is set to end during the two-year contractual period are NOT eligible for the MI Kids Now Program. [For example](#), if a provider is contracted to work with an organization from 01/01/2023 – 01/01/2025, but their contractual agreement for MI Kids Now is set to run from 10/01/2023 – 09/30/2025, they would NOT be eligible for the program at this time.

We are aware that many behavioral health providers may be employed through one agency, but are subcontracted out to another. In order to be eligible for the program, **the practice site from which the applicant directly provides their behavioral health services MUST be eligible based on program guidelines**. [For example](#), if an applicant is employed by a for-profit organization (not eligible), but is sub-contracted out to an eligible, non-profit agency, and provides at least 32 hours of direct behavioral health services per week out of this practice site, they **are** eligible for the MI Kids Now Program.

## Prioritization:

The below prioritization system will be utilized to rank applicants:

### **PRIORITY GROUP #1: Child Providers in a Community Mental Health Authority (CMH) Setting**

Providers within this Priority Group:

- Provide behavioral health services to children (0-18 years), or to children AND adults
- Practice out of a Public Community Mental Health Authority (CMH) or Tribal Health Center
- Practice Sites do not need to be located within a HPSA
- No employer match or contribution

### **PRIORITY GROUP #2: Child Providers in a Public School-Based Setting**

Providers within this Priority Group:

- Provide behavioral health services to children (0-18 years of age)
- Practice out of a Public School(s) or Public School-Based Site(s)
- Practice Site(s), including any School-Based Site(s), do not need to be located within a HPSA
- No employer match or contribution

### **PRIORITY GROUP #3: Child Providers in Any Non-Profit, Eligible Setting**

Providers within this Priority Group:

- Provide behavioral health services to children (0-18 years of age)
- Practice out of a Public, Non-Profit Site (such as community agency, outpatient clinic, etc.)
- Practice Site(s) MUST be located within a HPSA (see **below** for further information)
- Employer Match / Contribution (see **below** for further information)

### **PRIORITY GROUP #4: Adult Providers in a Community Mental Health Authority (CMH) Setting**

Providers within this Priority Group:

- Provide behavioral health services to adults (18+ years of age)
- Practice out of a Public Community Mental Health Authority (CMH) or Tribal Health Center
- Practice Sites do not need to be located within a HPSA
- No employer match or contribution

### **PRIORITY GROUP #5: Adult Providers in Any Non-Profit, Eligible Setting**

Providers within this Priority Group:

- Provide behavioral health services to adults (18+ years of age)
- Practice out of a Public, Non-Profit Site (such as community agency, outpatient clinic, etc.)
- Practice Site(s) MUST be located within a HPSA (see **below** for further information)
- Employer Match / Contribution (see **below** for further information)

## Prioritization *(continued)*

### HPSA Designation:

Providers under [Priority Group #3](#) and [Priority Group #5](#) must provide behavioral health services out of a practice site(s) located within a [mental Health Professional Shortage Areas \(HPSAs\)](#) or at sites with a [HPSA-Facility Designation](#). The federal government designates areas and facilities with provider shortages as 'Health Professional Shortage Areas' for mental health services. Providers and employers can determine if a practice site is located within a HPSA by entering its address in the federal Health Resource and Services Administration (HRSA) website located at: [Find Shortage Areas \(hrsa.gov\)](#). You can search for practice sites with HPSA facility designations by clicking on 'HPSA by State & County' on the same page where you can search by practice site address.

### Employer Contribution:

Providers under [Priority Group #3](#) and [Priority Group #5](#) will have an [employer match requirement](#). In order to be eligible for the program, employers must be willing to make an employer contribution toward the loan repayment agreements of the providers they sponsor.

#### The contribution requirement for:

- **NON-PROFIT employers is 20% of their providers agreement amounts.**
- **FOR-PROFIT employers\* is 50% of their providers agreement amounts.**
  - *\*For-Profit sponsoring agencies (employers) are eligible ONLY by placing providers in non-profit practice sites, such as community health clinics or schools.*

***\*FOR EXAMPLE*** – if a provider at a non-profit agency is granted a ***\$20,000\**** contract amount for their 2-year contractual agreement, the sponsoring agency (employer) agrees to provide a contribution or match of ***\$4,000\**** total over the 2-year agreement period.

***(\*Please note that the above values are for example purposes ONLY, and that the employer contribution amount will be calculated based on each individual provider's total 2-year contract amount.)***

The Employer Contribution Amount will be split into 4 equal payments and will be paid semiannually, due along with the provider's [Work Verification Forms](#) every 6 months. (See [Page 7](#) for further information)

Employers must **NOT** use MI Kids Now award funds to offset the provider's salary, the employer contribution amounts, or other components of their compensation packages. MI Kids Now award funds are given in addition to the provider's salary, which must be based on prevailing rates in their practice areas.

## Service Obligation Period

Any provider participating in this program will be eligible to receive loan repayment for 2 years with a two-year service requirement, starting 10/01/2023, and ending 09/30/2025. Providers **must remain employed with their approved practice site for the FULL two-year contractual agreement period**. Every participant will sign a contract with MDHHS that details a repayment process if a breach occurs.

While applicants are welcome to apply to multiple loan repayment programs concurrently, providers may not be dually enrolled in this loan repayment program and any other loan repayment program with a service obligation (such as the Michigan State Loan Repayment program, the National Health Service Corps, or the Michigan Opioid Treatment Access Loan Repayment Program). Applicants are eligible to be dually enrolled in the MI Kids Now Program and the Federal Public Service Loan Forgiveness Program (PSLF).

For providers who are currently enrolled in a state loan repayment program, your contractual agreement period with that program must be over by the **start** of the current MI Kids Now agreement period. This means that for providers who are currently enrolled in a state loan repayment agreement that ends after 10/01/2023, you are ineligible for this application cycle.

## PAYMENT PROCESS

Each participant will be paid one quarter of their approved contract amount after each six months of completed service obligation. Six-month payments are made directly to healthcare providers, not to their lenders, and providers are required to pay down their qualifying educational loans by an amount equal to the payments they receive from the MKN LRP. Employers or Sponsoring Agencies do NOT receive payments from the MI Kids Now Program.

## Award Amount

Providers may participate in MKN LRP for up to ten years and receive up to \$300,000 in income-tax free funds to repay their eligible educational debt. In order to be eligible for the program, applicants must have at least \$20,000 in eligible student loan debt. Providers may not receive MKN LRP payments in excess of their total eligible debt.

MKN LRP loan repayment agreements require two-year service obligations. Two-year loan repayment agreements will be determined by the calculation described below. Participants compete for each subsequent two-year loan repayment agreement during every other application period. After at least one two-year agreement, a participant's final agreement may be for one year if there is insufficient debt remaining to support a minimum \$20,000 two-year contract – but the two-year contract may not be for less than \$10,000. All initial agreements must be for two years.

Initial two-year agreement amounts are determined by dividing the amount of providers' eligible debt by their ten years of eligible program participation (up to the \$300,000 maximum) and multiplying by two:

$$\text{(Total Debt Amount)} \div (10) = \text{(a)}$$

$$\text{(a)} \times (2) = \text{Total 2-Year Contract Amount ("b")}$$

...

**Example:** For a new participant with \$140,000 eligible debt:

$$\text{\$140,000} \div (10) = \$14,000$$

$$\$14,000 \times (2) = \text{Total 2-Year Contract Amount of \$28,000}$$

Odd dollar amounts derived in this manner will be rounded up or down to the nearest \$1,000 amount for administrative simplicity. If an applicant has at least \$20,000 of eligible debt and the two-year agreement amount calculated as describe above is less than \$20,000, the provider will receive, if awarded, a \$20,000 two-year agreement.

If a provider is selected for the program, they will receive their fully executed MKN LRP agreement via email. This agreement will contain contract information and award details for the provider, including their total and yearly award amounts. Award amounts will be present on Page 13 of the provider's Personal Service Agreement.



## Service Verifications

It is important for participants to understand how and when they will be paid. Providers complete six months of their service obligations beginning with the 10/01/2023 start date of their MKN LRP agreements, and then initiate their first six-month payments. Providers initiate their six-month payment cycles each March 1<sup>st</sup> and September 1<sup>st</sup> during their participation in the program by submitting their properly dated Work Verification Forms (WVFs) to their employers. Providers must also submit their *Workdays Away from Practice Site (WDA)* forms to their employers with their final WVFs (final set of forms will be due on 09/01/2025). Providers receive their fully executed MKN LRP agreements, WVFs, and Workdays Away Forms attached to emails announcing their fully executed MKN LRP agreement packages. WVFs are dated with the year and month during which they must be submitted to employers. Once the provider has received these forms from MI Kids Now program staff (via email), the provider must initiate the process for each of their MKN LRP payments by providing their employer with the appropriate forms. Providers must save the electronic version of their MKN LRP Agreements, Work Verification Forms, and Workdays Away Forms; print them; and keep the copies in a safe place, as the MKN LRP Office does not provide duplicates. Providers should also mark their calendars to remind themselves when their next WVF is due, because failing to submit WVFs on time will delay participants' payments until the next 6-month payment cycle.

## Registration on Sigma Vendor Self Service (VSS)

All providers participating in this program (considered "vendors" in SIGMA VSS) must immediately register for electronic funds transfer (EFT) on SIGMA VSS (<https://sigma.michigan.gov/webapp/PRDVSS2X1/AltSelfService>). This will allow MKN LRP payments to be electronically deposited into your personal checking or savings account. If selected for the MI Kids Now Program, providers will be required to provide their individual SIGMA VSS Vendor Number before their enrollment in the program is finalized. **Providers are required to provide their personal individual SIGMA Vendor Number, NOT the business vendor number for their employer or sponsoring agency.**

## Change of Personal Information Reporting Requirements

Providers must notify the MKN LRP Office of **ANY** personal information changes, including name, home address, phone numbers and email address. This information must also be updated on their SIGMA Vendor Self Service (VSS) profiles, no less than 10 calendar days before they occur. Your personal information must be the same at the MKN LRP Office AND on SIGMA VSS to receive LRP payments.

## APPLICATION FORMS AND PROCESS

The MI Kids Now Loan Repayment Cycle will host the next program cycle from Monday, June 12<sup>th</sup>, 2023, through Friday, June 23<sup>rd</sup>, 2023.

**As of March 20<sup>th</sup>, 2023, the program will require a THREE-STEP PROCESS to apply:**

1. Download and complete all three (3) digital application forms on our website,
2. Submit completed application forms through the State of Michigan's File Transfer Area,
3. Complete an application through our new Online Application System.

Please follow below for further instructions.

	STEP #1:	STEP #2	STEP #3
HOW TO COMPLETE:	1. Download and complete all three (3) digital application forms.	2. Submit digital application forms through the <u>File Transfer Area</u>	3. Complete online application through our new <u>Online Application System</u>
WHERE TO ACCESS:	Forms available on <a href="#">MI Kids Now Website</a>	Register on the <a href="#">State of Michigan's MILOGIN Page</a> to request access	Link will be available to online application on the <a href="#">MI Kids Now Website</a>
TIMELINE TO COMPLETE:	<b>Now through June 23<sup>rd</sup></b> <i>(see below for more information)</i>	<b>June 12<sup>th</sup> – June 23<sup>rd</sup></b> <b>[2 Week Window Only]</b>	<b>June 12<sup>th</sup> – June 23<sup>rd</sup></b> <b>[2 Week Window Only]</b>

Application materials are currently available on our website and should be completed **BEFORE** the opening of the application cycle. Please note that the **PART B APPLICATION FORM** will need to be sent to and completed by your loan servicing agency, **which may take several months to be processed and completed**. Once this form is sent back to you by your loan servicer, it will need to be uploaded with your other application materials.

**Failure to submit a PART B FORM completed and signed by your loan servicer will result in your application being screened out.**

Please see below for further instructions on completing and submitting application materials.

## Application Instructions 2023

Please note that the Application Forms will **NOT** be considered complete unless they contain information from all sections below.

### 1. Provider Application Part A

completed by the **APPLICANT**

#### Personal Information (Section #1)

- Includes name, address, contact information, and demographic information

#### Education & Professional Information (Section #2)

- Includes professional title, provider setting type, and license number

### 2. Provider Application Part B

completed by the **APPLICANT** and the **LOAN SERVICER**

#### Borrower Information (Page 1) – for the **APPLICANT**

- Includes name and participation status in any other state loan repayment program(s)
- For providers who were previously (or are currently) enrolled in a separate loan repayment program, please see [below](#) for further instructions, as additional application materials will be *REQUIRED* for consideration into the program.

#### Loan & Loan Servicer Information (Page 2) – for the **LOAN SERVICER**

- Your loan servicer must list all educational loans for which you have a remaining balance, and whether or not they entail a service obligation. Include only loans that funded your undergraduate or graduate education, and training that led to the professional license necessary for the position at which you will fulfill your MKN LRP service obligation.\*\*\*

**\*Please note that if a provider holds student loan debt with more than one loan servicer and would like loan debt from both servicers to be considered for repayment, an individual Part B Application Form is required for EACH loan servicer.** For example, if a provider has both federal loans (through the U.S. Department of Education) and private loans (such as through Discover, a credit union, etc.), and would like all of their outstanding student loans to be considered for the program, a Part B Form will be required from both their federal and private loan servicers.

### 3. Practice Site Application and Declaration of Intent

completed by the **EMPLOYER**

#### Pages 1 – 5:

Includes information about Employer, Practice Site, and Type of Practice

#### Pages 6 – 7:

Signature for Certification of Compliance and Declaration of Intent

**\*\*\*Note:** *If you have consolidated or refinanced any eligible loan with a non-educational loan, no portion of the consolidated/refinanced loan is eligible for loan repayment and must not be listed the Provider Application Part B form.*

## Previous Loan Repayment Program Participants:

Providers who were previously enrolled in a separate loan repayment program are required to submit **Loan Repayment Documentation (LRD)** as a part of their application package.

This information is required to show that you have paid down loans listed on your **Part B Application Form**, by an amount at least equal to (or exceeding the sum of) all previous loan repayment program payments (awards) received since your last agreement start date.

**The following information will be necessary in order to be considered for the *MI Kids Now Loan Repayment Program*, all of which can be accessed from your loan servicer's website:**

- **Printouts** from each loan servicer's website, showing your payment history – beginning with payments made at the start date of your last program agreement, to your most recent payment.
  - **Information for each payment made must include:**
    - Payment Date
    - Payment Amount
    - Remaining Balance
- **Subtotals** written on the top of the first page of each lender's payment history, to show the provider has totaled the payments made to that lender.
- **Calculator tapes**, totaling all of the payments for each of the above subtotals.
- **Brief explanations** of payments, which would otherwise be confusing.

## File Transfer Area (Application Materials Submission)

MKN LRP will utilize the **File Transfer Application** for application submission. This system was created by State of Michigan and is designed to keep applications secure. Providers, **NOT** their employers, must upload their applications via the File Transfer Application. To create an account on the State of Michigan website, please click to access the [MI Login Homepage](#). **Please note that the MI Kids Now Loan Repayment Program cannot accept application forms submitted by email, phone, or fax.**

Full instructions on how to access the File Transfer Application System, as well as how to submit application materials through this system, are available on the [MI Kids Now Loan Repayment Program website](#). Please locate the instructional guide on the main homepage of our website, titled:

### **MKN LRP File Transfer Application Instructions**

It is recommended that all providers create an account on the [State of Michigan](#) website and request access to the File Transfer Area as soon as possible. While access to submit materials into the File Transfer Area will not be approved until the official opening of the application period, **user access will be granted in the order with which requests were received**. We ask that providers request access as soon as possible to avoid overwhelming and crashing the system on the opening day of the application cycle.

**Access to the File Transfer Area will NOT be granted after 12:00PM on Friday, June 23<sup>rd</sup>, 2023.**

Applicants experiencing issues accessing the File Transfer Application should contact the [File Transfer Support Team](#) at [DCH-File-Transfer-Support@michigan.gov](mailto:DCH-File-Transfer-Support@michigan.gov), as they are best equipped to assist with technical issues regarding this system.